

§ 45-42.3. Automatic release of real property from ancillary security instruments.

(a) The following definitions shall apply in this section:

- (1) Ancillary security instrument. – An assignment of leases with respect to the real property, an assignment of rents from or arising out of the real property, a financing statement covering fixtures on the real property that is filed in the office of the register of deeds in the county in which the real property is located, and any other document or instrument that assigns, or creates a lien on, an interest in the real property.
- (2) Real property. – The real property described in and encumbered by the lien of a security instrument.

(b) Except as provided in subsection (c) of this section, (i) the expiration of the lien of a security instrument pursuant to G.S. 45-36.24 or the satisfaction of a security instrument of record pursuant to G.S. 45-37 shall be deemed automatically to release the real property from the operation of all ancillary security instruments that secure the same obligation or obligations secured by the security instrument and (ii) the recording of a partial release pursuant to G.S. 45-36.22 or the recording of a deed of release shall be deemed automatically to release the real property described in the partial release or deed of release from the operation of all ancillary security instruments that secure the same obligation or obligations secured by the security instrument.

(c) Subsection (b) of this section shall not apply to an ancillary security instrument if (i) the ancillary security instrument secures obligations other than, or in addition to, the obligation or obligations secured by the security instrument; (ii) the security instrument, the ancillary security instrument, or the document recorded in the office of the register of deeds to satisfy the security instrument of record expressly states that the satisfaction of the security instrument of record shall not release the real property from the operation of that particular ancillary security instrument or from ancillary security instruments in general; or (iii) the security instrument, the ancillary security instrument, the partial release, or the deed of release expressly states that the partial release or deed of release shall not release real property from the operation of that particular ancillary security instrument or ancillary security instruments in general. (2011-312, s. 14.)